

**Minutes**  
**County Road Administration Board**  
**July 29-30, 2010**  
**CRAB Office – Olympia, Washington**

**Members Present:** Dean Burton, Garfield County Commissioner, Chair  
Brian Stacy, PE, Pierce County Engineer, Vice-Chair  
\*Marc Boldt, Clark County Commissioner, Second Vice-Chair  
Ray Thayer, Klickitat County Commissioner  
Drew Woods, PE, Columbia County Engineer  
Derek Pohle, PE, Grant County Engineer  
\*Dale Snyder, Douglas County Commissioner

**Member Absent:** Doug Mattoon, Asotin County Commissioner  
John Koster, Snohomish County Council Member

**Staff Present:** Jay Weber, Executive Director  
Walt Olsen, PE, Deputy Director  
Steve Hillesland, Assistant Director  
Jeff Monsen, PE, Intergovernmental Policy Manager  
Bob Moorhead, PE, Compliance & Data Analysis Manager  
Larry Pearson, PE, Maintenance Program Manager  
Rhonda Mayner, Secretary  
\*Karen Pendleton, Executive Assistant  
\*Don Zimmer, Inventory Systems Manager  
\*Randy Hart, PE, Grant Programs Manager  
\*Jim Oyler, Support Specialist

**Guests:** \*Bill Schulte, Lewis County Commissioner  
\*Tim Elsea, PE, Lewis County Director/Engineer  
\*Rod Lakey, PE, Lewis County  
\*Tim Fife, PE, Franklin County Director/Engineer  
\*Mike Collins, PE, Pacific County Director/Engineer  
\*Gary Predoehl, PE, Pierce County  
\*Bob Thuring, PE, Mason County Engineer  
\*Brian Matthews, PE, Mason County  
\*Christie Parker, House of Representatives

*(\*July 29, 2010 only)*

**CALL TO ORDER**

Chair Burton called the County Road Administration Board quarterly meeting to order at 1:00 pm on Thursday, July 29, 2010, at the CRAB Office in Olympia.

**CHAIR'S REPORT**

Chair Burton welcomed new CRABoard member Mr. Pohle, and thanked former member Jim Whitbread, PE, Stevens County Engineer, for his years of service. He noted the absence of Council Member Koster and Commissioner Mattoon, and reported that Commissioner Mattoon has accepted a new position in the private sector and will be resigning as a county

commissioner at the end of the year, making the October 2010 CRABoard meeting his last.

**Approve Agenda for the July 29-30, 2010 Meeting**

Commissioner Boldt moved and Commissioner Thayer seconded to approve the agenda as presented. **Motion passed unanimously.**

**Approve Minutes of April 22-23, 2010 CRABoard Meeting**

Mr. Stacy moved to approve the minutes of the April 22-23, 2010 CRABoard meeting and Commissioner Snyder seconded. **Motion passed unanimously.**

**Election of Chair, Vice-Chair and Second Vice-Chair**

Chair Burton opened the floor for nominations for Chair, Vice-Chair and Second Vice-Chair for the upcoming year.

Commissioner Snyder moved and Commissioner Boldt seconded to retain Commissioner Burton as Chair. **Motion passed unanimously.**

Mr. Woods moved and Commissioner Snyder seconded to nominate Mr. Stacy as Vice-Chair. **Motion passed unanimously.**

Commissioner Snyder moved and Mr. Stacy seconded to nominate Commissioner Boldt as Second Vice-Chair. **Motion passed unanimously.**

**ANNUAL CERTIFICATION – LEWIS COUNTY**

Mr. Weber noted that at the April 2010 CRABoard meeting, the Board voted to issue a Conditional Certificate of Good Practice to Lewis County due to a violation by that county of the limits imposed by statute upon construction work accomplished by county forces.

Lewis County reported having performed \$1,156,206 of county forces construction when their allowed limit was \$800,000, or 145% of the allowed limit; a violation amounting to \$356,206 in 2009. Mr. Weber noted that included in these totals is work which was contracted out, but performed while the county forces were also working on the same project at the same time, making the county prime on the project and responsible for the reported totals.

Mr. Weber recommended that Lewis County's Conditional Certificate of Good Practice be continued until the regular CRABoard meeting in April 2011, with no further restrictions and without further condition. This recommendation is based upon Lewis County's prompt notification to the CRAB office of a possible violation; their candid explanations for the conditions which led to the violation; their frank demonstration of intent that the violation would not be repeated, even by inadvertence, and their willingness to work with CRAB staff during the time between now and the April meeting next year.

He also noted that he very much appreciates the cooperation and willing assistance of the Board of the Lewis County Commissioners and their entire road department as CRAB staff worked through this issue with them.

He introduced Mr. Elsea, Mr. Lakey and Commissioner Schulte, who gave a brief explanation of the circumstances surrounding the violation.

Mr. Olsen outlined the process of notification and investigation undergone by and between Lewis County and CRAB staff. He emphasized that there was no intent on the part of the county to violate the construction by county forces limits and that they reported the overage promptly.

Commissioner Schulte noted that he appreciated CRAB staff's immediate response to the county's report of the violation.

After discussion and questions, Second Vice-Chair Boldt moved and Vice-Chair Stacy seconded that Lewis County's Conditional Certificate of Good Practice be continued until the regular CRABoard meeting in April 2011, with no further restrictions and without further condition. **Motion passed unanimously.**

## **CERTIFICATIONS**

### **Resolution 2010-007 - Certify the Master Road Log**

Mr. Zimmer presented Resolution 2010-007 - certify the master county roadlog, to reflect the county road system as of January 1, 2010. He noted that all 39 counties are compliant, and staff recommends approval of the roadlog.

After discussion and questions, Second Vice-Chair Boldt moved and Mr. Pohle seconded to approve Resolution 2010-007 certifying the 2010 Master County Roadlog. **Motion passed unanimously.**

### **Resolution 2010-008 - Certify MVFT Allocation Factors**

Mr. Zimmer presented Resolution 2010-008 - certify MVFT allocation factors to the Board. Staff recommends approval of the allocation factors.

After discussion and questions, Mr. Woods moved and Commissioner Thayer seconded to approve Resolution 2010-008 certifying the MVFT Allocation Factors. **Motion passed unanimously.**

## **RURAL ARTERIAL PROGRAM**

### **Program Status Report**

Mr. Hart noted that there are 121 projects being funded at this time. CRAB has total anticipated revenue of \$492,387,071 through the 2011-13 biennium.

\$396,687,186 has been expended to date. There are outstanding obligations of \$152,994,760.

### **Regional Meetings Update**

Mr. Hart reported on items of interest at recent RAP regional meetings, including the new RAP Online application, which was deployed July 1, 2010, and potential RAP WAC changes. He introduced Mr. Oyler, who spoke briefly about making project information and photos available within the RAP online program. Mr. Hart outlined the 2011 fiscal year construction spending plan, noting that it is very aggressive and that if it proceeds as planned, by June 2011 the fund balance should be below \$7,000,000.

### **Resolution 2010-009 - Apportion RATA Funds to Regions**

Mr. Hart presented Resolution 2010-009 - Apportion RATA Funds to Regions. The resolution apportions the accrued amount of \$4,718,580 now credited to RATA for

May through July 2010 to the regions by the established 2009-2011 biennium regional percentages after setting aside \$112,250 for administration. Staff recommends approval of the apportionment.

Commissioner Thayer moved and Second Vice-Chair Boldt seconded to approve Resolution 2010-009. **Motion passed unanimously.**

## **PROJECT REQUESTS**

### **Franklin County**

Mr. Hart reported that Franklin County has requested advance funding in the amount of \$150,000 for their RAP funded R-170 Road project. He noted that the county reached its 2009 – 2011 biennium funding limit of \$1,052,957 at the March 26, 2010 CRABoard meeting.

Mr. Hart reported that on September 1, 2008 Franklin County submitted a prospectus requesting \$3,000,000 in RATA funding for R-170 Road. R-170 Road was funded on April 16, 2009 with an initial \$252,957, the county having reached its funding limit for the 2009 - 2011 biennium. By fall 2009 the county was ready to build the project in 2010 since it had gained additional federal funding. Therefore, on January 21, 2010, the county requested the CRABoard advance fund the project with an additional \$800,000 in RATA funds so the project could be built in 2010. The advance funding was approved, and deducted from the county's future funding limit. The additional spending authority provided to CRAB by legislature in March 2010 increased all county funding limits statewide such that the additional \$800,000 for R-170 was then assessed against that increased limit for Franklin County. Franklin County's potential funding limit for the next funding cycle was therefore restored. Bids for construction of R-170 Road have been opened and the county finds the lowest responsible bid price for the project leaves the county short of funding by nearly \$150,000. Franklin County requests this amount be advance funded from the RATA by the CRABoard.

Mr. Hart noted that the legislature's approval of additional appropriation for the RATA in fiscal year 2011 emphasized additional funding for current and additional projects. The RATA, as well as the R-170 Road project itself, stand to gain from this opportunity. Franklin County's funding limit has been restored to its full amount. Staff therefore recommends approval of advance funding of the additional \$150,000 to R-170 Road with a corresponding reduction in Franklin County's funding limit in the next allocation period.

Mr. Hart introduced Mr. Fife, who gave further information on the request. Mr. Fife noted that the project should be completed this fall.

Following questions and discussion, Second Vice-Chair Boldt moved and Commissioner Snyder seconded to approve Franklin County's request for \$150,000 in advance funding with subsequent reduction of that amount in the county's next allocation period. **Motion passed unanimously.**

### Pacific County

Mr. Hart reported that Pacific County is requesting a scope change for their RAP funded Smith Creek Road project to increase the total proposed length by 0.09 miles to new milepost limits of 5.71 to 6.83.

In addition, since the project is ready to be constructed in 2010, the county has also requested that the remaining \$118,400 of the full RATA request to \$1,000,000, although not yet allocated, be allocated in advance of the next CRABoard allocation meeting. The next allocation meeting will tentatively occur in April, 2013.

Mr. Hart reported that Pacific County submitted a request for \$1,000,000 RATA funding of Smith Creek Road on September 1, 2008. Partial funding of \$881,600 was awarded on March 26, 2010, bringing the county to its funding limit of \$1,400,000 for this biennium. (The county had received \$518,400 for its Monohon Landing Road in the same 2009-2011 array). In the Smith Creek prospectus, the county proposed to improve the road from milepost 5.80 to 6.83. Upon recent review of the project limits, however, the county has found that these milepost limits fall short of matching up to a previously improved section of Smith Creek Road, leaving a 0.09 mile piece of the road in very poor condition. The county requests the mile post limits of the project/contract be revised to 5.71 – 6.83 to include the portion that was unintentionally omitted from the prospectus.

Also, since the county is ready to go to construction, it further requests advance funding of the remaining \$118,400 that would normally be allocated at the next biennium allocation meeting, tentatively scheduled for April 2013.

Mr. Hart noted that staff has reviewed the scope increase request and the project site. Upon field review, CRAB staff found that the omitted section exhibited some of the worst pavement and subsurface conditions of the entire section that remains unimproved. While the lengthening of the project would reduce the project score from 51.20 to 50.80, it does not change its ranking on the priority array, and the project would still have been funded with the requested changes. Staff recommends approval of the scope increase, lengthening the project to include mileposts 5.71 to 6.83 as requested by the county.

The county has demonstrated it is ready to build the Smith Creek Road project by accomplishing full design to this point. Under the standard CRAB process, however, the remaining \$118,400 funding will not be available for reimbursement of construction charges until 2013. Staff finds that granting full funding at this time is more efficient than requiring the county to keep its payments receivable accounting open for three years past completion of the project. Staff therefore recommends approval of advance funding of the remaining \$118,400 to Smith Creek Road to the full \$1,000,000 requested and a corresponding \$118,400 reduction in Pacific County's funding limit in the next allocation period.

Mr. Hart introduced Mr. Collins, who gave further information and reported that the county is ready to begin construction on the project next week.

Following questions and discussion, Commissioner Snyder moved and Mr. Woods seconded to approve Pacific County's request for the scope change and \$118,400 in

advance funding with subsequent reduction of that amount in the county's funding limit in the next allocation period. **Motion passed unanimously.**

### **Pierce County**

Mr. Hart reported that Pierce County is requesting a waiver of the reimbursement of \$47,089.56 in expended RATA funds used for design of their withdrawn Key Peninsula Hwy, Lackey-Jackson Intersection project. Waiver of payback of used RATA funds must be considered by the CRABoard per WAC 136-167-030.

According to CRABoard Resolution 96-028, the director may "approve withdrawals and terminations of RAP projects as set forth in WAC 136-167 except that waiving of a required RATA reimbursement for such projects shall remain with the CRABoard."

Mr. Hart noted that Pierce County gained \$84,000 in RATA funding for their Key Peninsula Hwy, Lackey-Jackson Intersection project on April 29, 2005, and a final \$1,564,000 on April 19, 2007 for full funding to \$1,648,000. Preliminary Engineering has proceeded to the establishing of a new road alignment, a Traffic Design Report and Realignment Options Technical Report. The county has spent \$47,089.56 RATA funds to date.

After funding of Key Peninsula Hwy, Lackey-Jackson Intersection project, the county requested funding for Crystal Mountain Boulevard on the proposed 2007-2009 priority array. However, since the county did not have clear ownership of the road, the request was removed prior to CRAB funding of that array. After a long process with the federal government, the county finally gained ownership and was awarded RATA funding in the 2009-2011 array. The recent recession, and the county's priority to now focus its funding and design efforts on Crystal Mountain, have severely restricted the county's matching fund capacity. Therefore, in order to maintain its current priorities through the recession, and to pursue final construction of Crystal Mountain Boulevard, the county withdrew the Key Peninsula Hwy project from RATA funding and now requests the CRABoard waive payback of the \$47,089.56.

Mr. Hart reminded the Board that based on review of waiver request history and past actions, the CRABoard, at its January 2002 meeting, determined that "generally, payback of all project related costs, including design, right of way and construction are eligible to be waived by the CRABoard, and that the CRABoard will continue to consider each waiver request on a case-by-case basis."

The Pierce County Executive, Pat McCarthy, has requested this waiver in writing per her letter dated June 7, 2010, thereby responding to the issues specified in WAC 136-167-030, "Termination of Approved Project after RATA Reimbursement". CRAB staff finds that the county had pursued project design in good faith. Those efforts in design will not be lost in the event the county pursues improvements for Key Peninsula Highway, Lackey-Jackson in the future. Staff therefore recommends that the CRABoard waive the reimbursement of the \$47,089.56 spent by Pierce County on the Key Peninsula Highway, Lackey-Jackson Intersection project.

Mr. Stacy excused himself from discussion and voting on the matter.

Mr. Hart introduced Mr. Predoehl, who gave further information on the request. He

noted that in the design already completed on the project, an improved alignment for the intersection has been proposed.

Following questions and discussion, Second Vice-Chair Boldt moved and Commissioner Snyder seconded to approve Pierce County's request for a waiver of payback of \$47,089.56. **Motion passed unanimously, with Mr. Stacy abstaining.**

#### **WAC UPDATES**

Mr. Hart reported on a synopsis of proposed changes to WAC 136 Rural Arterial Program. He noted that a meeting is scheduled for next week between CRAB staff and ten engineers appointed to an ad hoc committee on the issue.

**Chair Burton called for a ten minute recess.**

#### **EXECUTIVE DIRECTOR'S REPORT**

##### **Budget Update**

Mr. Weber explained the layout of the budget report for the benefit of Mr. Pohle, and reviewed CRAB's current budget status. He noted that all of the accounts currently show a positive variance which should carry through to the end of the biennium.

He informed the Board that the CRAB budget submittal for the next biennium will be completed and sent to SACS by August 23. Staff does not plan to ask for any increases over this biennium, with the exception of allowing for possible retirement pay outs.

##### **JTC Study Update**

Mr. Weber reminded the Board of the recent legislation mandating a study of CRAB, the Freight Mobility Strategic Investment Board, Transportation Improvement Board and Highways and Local Programs division of WSDOT with an eye toward possible consolidation. Due to the direction of the Joint Transportation Committee, the study has moved away from that focus and developed into a look at the efficiencies of each agency. He noted that Tom Ballard, a former CRAB board member, has been appointed Interim Executive Director of TIB.

#### **DEPUTY DIRECTOR'S REPORT**

##### **County Engineers/Public Works Directors Status**

Mr. Olsen announced the following changes in status of County Engineers/PWD since April 2010:

1. By letter on May 18, 2010, Lewis County announced that Tim Elsea, PE, would assume the duties of Public Works Director/County Engineer, effective June 1, 2010. The duties of the County Engineer were vested with Interim County Engineer Rod Lakey, PE, who has served since December 2, 2009.
2. By letter on May 24, 2010, Mason County announced that Brian Matthews, PE, would assume the duties of County Engineer, effective August 16, 2010. The duties of the County Engineer are currently vested with County Engineer Bob Thuring, PE, who is retiring effective September 9, 2010.

3. By letter on June 14, 2010, Skagit County announced that Rob McGaughey, PE, would assume the duties of the County Engineer, effective June 14, 2010. The duties of the County Engineer were vested with Interim Public Works Director/County Engineer Tom Ballard, P.E., with duties requiring a Professional Engineer's license designated to Michael R. Mariano, PE, as a subcontractor to the County Engineer for the interim period.

### Mason County

Mr. Olsen introduced Mr. Thuring, retiring Mason County Engineer, who thanked the Board for their outstanding support of the county during his tenure. He noted that the CRAB staff is greatly appreciated by all county engineers.

He voiced his concerns over the proposed RAP WAC changes regarding shortening the time frame allowed to the beginning of construction, and thanked the Board for the opportunity to sit in on and learn from proceedings in the CRABoard meetings.

Chair Burton thanked Mr. Thuring for his participation in the CRABoard meetings and his support, and his service to Mason County. Mr. Olsen voiced his appreciation as well.

### County Visits

Review and assistance contacts and visits:

- Mason County
- Lewis County
- Grant County
- Skagit County (2)
- Pend Oreille County
- Spokane County
- Stevens County
- Asotin County
- Whitman County

Numerous contacts with County Engineers took place in other venues.

### State Auditor's Report

The 1997 State Auditor Office (SAO) audit of CRAB concluded that the minutes of the Board meetings needed specific mention of SAO audits of the counties and of any findings that might relate to the statutory responsibilities of CRAB. The minutes also need to reflect any recommendations from the CRABoard to staff in response to the audits. This report details our staff procedures to satisfy the SAO.

CRAB has received **five** audit reports representing **four** counties since the April 2010 board meeting. Any audits with county name in bold print revealed substantive findings involving County Road Funds, specifically:

### 2009 Audits

1. Thurston County: SAO # 1003923, issued on July 19, 2010, covering the period from January 1, 2009 to December 31, 2009. This report covered the



Financial/Federal Single Audit, updated no previous findings, and issued no new findings.

### **2008 Audits**

1. **King County: SAO # 1003778, issued on May 25, 2010**, covering the period from July 1, 2008 to June 30, 2009. This report covered the Financial / Federal Single Audit, updated 12 previous findings, four involving County Road Funds, and issued seven new findings, none involving County Road Funds.
2. **Grant County: SAO # 1003827 & 1003828, issued on June 28, 2010**, covering the period from January 1, 2008 to December 31, 2008. These reports covered the Accountability and the Financial / Federal Single Audit, updated two previous findings, and issued three new findings, one involving County Road Funds.
  - a. The County Auditor's Office and the Public Works Department prepared separate financial statements and did not communicate sufficiently to ensure each had complete and accurate information. Significant adjustments were required to revenue, expenditure, and beginning cash and investment balances for the funds operated out of the Public Works Department. These adjustments were not the result of accounting errors but were due to a misunderstanding about how to effectively transition beginning fund balances from reporting under generally accepted accounting principles to reporting on a cash basis. In total, beginning cash and investment balances were adjusted down by approximately \$1.5 million and revenue and expenditure amounts were appropriately adjusted by the same amount.
  - b. The County's process for obtaining grant expenditure information from departments did not clearly identify grants from federal sources when they were received from state agencies. Also, staff preparing and reviewing Federal Highway Administration project reports did not accurately reconcile grant revenues and expenditures on the worksheet. The County excluded 14 federal grants passed through state agencies from its Schedule of Expenditures of Federal Awards. These grants and related adjustments totaled approximately \$244,000. In addition, adjustments totaling \$621,000 were required for the County's Federal Highway Administration grants reported on the Schedule.
3. **Whitman County: SAO # 1003845, issued on June 24, 2010**, covering the period from January 1, 2008 to December 31, 2008. This report covered the Financial / Federal Single Audit, updated no previous findings, and issued one new finding, none involving County Road Funds.

### **2008 County Audits outstanding (7):**

#### **Accountability:**

Adams	Jefferson
Clallam	Spokane
Ferry	Stevens
Garfield	

**Financial:**

**\*\*COMPLETED\*\***

**Other Activities**

Mr. Olsen reviewed a list of his activities since the April 2010 CRABoard meeting. He noted that CRAB has had an unpaid intern this summer, Erick Agina, who is studying for his master's degree in urban planning and working full time at the Attorney General's office.

**Chair Burton recessed the meeting at 3:50 pm on July 29, 2010. The CRABoard meeting will resume July 30, 2010 at 8:30 am.**

**County Road Administration Board**  
**Friday, July 30, 2010**

**CALL TO ORDER**

The second day of the CRABoard meeting was called to order by Chair Burton at 8:30 am on July 30, 2010.

**STAFF UPDATES**

**Information Technology**

Mr. Hillesland noted that since RAP Online was launched on July 1, 21 counties have logged in to the site. \$700,000 in vouchers have been processed through the new system. He reported that IT staff will be shifting their focus back to Mobility upgrades, including the mapping feature demonstrated to the Board last year, after the RAP Online program is completed.

**Intergovernmental Policy**

Mr. Monsen reported on his activities since the April 2010 CRABoard meeting, including several county visits and the County Engineers' Training held in the CRAB offices in May. He noted that staff is fine-tuning a one day version of the CE Training that can be taken on the road to the counties. He informed the Board that Wahkiakum County has applied for federal funding for a new vessel, and may seek matching funds through the County Ferry Program administered by CRAB.

He reported on plans to update and expand the CRAB Library on the website. A survey will be sent out to the county engineers and their staff to determine usage and user friendliness of the site and seek feedback.

Following a question by Mr. Pohle as to whether the survey should also be sent to the county commissioners and council members, a discussion ensued about educating these officials about CRAB, with many suggestions offered on organizing information programs and training sessions for them.

**Compliance**

Mr. Moorhead reported on his activities since the April 2010 CRABoard meeting. He noted that in staff's annual survey of the counties concerning asphalt unit prices it appears that things have begun to stabilize across the state. He updated the Board on his progress in updating the CRAB files of the five county policies required for the Standards of Good Practice.

**Maintenance Management**

Mr. Pearson reported on his work with the counties to fine tune their budgeting, record keeping and reporting practices now that the Maintenance Management Standards of Good Practice are in effect.

He noted that Spokane County requested that CRAB perform a maintenance management audit for them. Staff was able to do a detailed inspection within the

framework of the Standards of Good Practice and offer suggestions for improvement, and continues to work with the county officials on this issue.

He mentioned that in the near future, he would like to pursue a study on the impact of the counties not sealing roads on their normal one in seven year rotation schedule.

**Meeting adjourned by Chair Burton at 9:55 am.**

\_\_\_\_\_  
Chairman

ATTEST: \_\_\_\_\_